

8/023/0108  
cc: Wayne

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# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

FILLMORE FIELD OFFICE

35 East 500 North  
Fillmore, Utah 84631



In Reply Refer to:  
3809 (UTW02000)  
UTU 87623

RECEIVED

OCT 13 2009

October 8, 2009

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL #7008 1830 0001 1694 3896  
RETURN RECEIPT REQUESTED

Kenneth Lowder  
459 South 300 East  
Springville, UT 84663

Dear Mr. Lowder:

On August 17, 2009, the Fillmore Field Office (FFO), Bureau of Land Management (BLM) received a plan of operations under the federal regulations at 43 CFR § 3809, Surface Management, subject to the mining laws as defined at 3809.5. The plan is for removal of manganese (Mn) stockpiles near the old Black Boy mine at T. 14 S., R. 11 W., sec. 25 in Juab County, Utah. The mining claims listed in the plan of operations are UMC 408342, UMC 408343, UMC 408344, and UMC 408345, which were located after July 23, 1955. The plan of operations is serialized as UTU-87623. The stockpiles of interest are known to contain a low grade of Mn (< 10%). The spot price of Mn ore, that generally runs at least 40% Mn, is currently at about \$90 per metric ton unit; giving these stockpiles a value of no more than \$10 per ton. This value makes us question whether the material stockpiles contain a valuable mineral subject to the mining law or if the value of the material comes from its end use. If the end use requires the material to have a unique characteristic that brings it special and distinct value, it may also be locatable; if not, the material would be considered common variety.

## Procedures for Plans of Operations Involving Possible Common Variety Minerals

The federal regulations at 3830.11 and 12 provide the framework for determining whether a mineral is locatable: locatable minerals must be subject to the general mining laws and certain varieties of mineral materials are locatable if they are uncommon because they possess a distinct and special value. Distinct and special value is based on the criteria in *McClarty v. Secretary of the Interior*, 408 F.2d 907 (9th Cir. 1969), which are addressed in the regulations at 3830.12(b)(1)-(5). Plans of operation for locatable minerals, i.e. uncommon varieties, are properly processed under the regulations at 3809. If the minerals are salable, i.e. common varieties, then the minerals are disposed through a sale contract with the BLM.

As required at 3809.101(a), you must not initiate operations under the mining laws for minerals that may be common varieties, until BLM prepares a mineral examination report. The mineral examination and the associated report are subject to cost recovery fees as required at 3800.5 and 3000.11. The regulations at 3809.101(b) allow for an interim authorization, where under the

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specified conditions, BLM may allow notice-level operations or approve a plan of operations. The approval of a plan of operations as an interim authorization requires the establishment of an escrow account with regular payments for the removal of possible common variety minerals. The cost recovery fees would include the cost for determining the appraised value of the possible common variety mineral(s).

If a mineral examination report is necessary to determine whether the mineral is a common variety and if the conclusion in that report is the mineral(s) is a common variety, you may relinquish the mining claim(s) or BLM will initiate contest proceedings against the disputed mining claim(s). Upon relinquishment or a final departmental determination that the mining claim(s) is null and void, you would be required to promptly close and reclaim any operations under an interim authorization, unless you are authorized to proceed under 3600 and 3610. Monies in an escrow account would be disbursed to the U.S. If the conclusion in the mineral examination or if the final departmental determination is the mineral(s) is an uncommon variety, you would be allowed to conduct operations under the mining laws and monies in an escrow account would be disbursed to the payer. BLM has not determined that a mineral examination report is necessary.

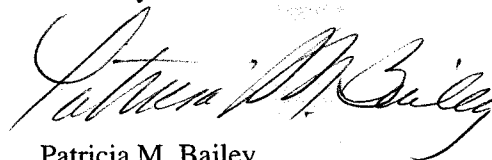
**At this time, BLM is requesting information on this deposit with respect to the end use of the material and if the end use is other than processing for a valuable mineral its characteristics. The characteristics data should demonstrate how this material and the specifications for the material meet the proposed use(s) and market(s).**

Upon review of your response to this request for additional information, BLM will consider the next step in development of this mineral deposit in coordination with you. Your evaluation of the deposit and its characteristics are important to this process. Phased, confirmative exploration of the deposit may be appropriate, such as proposing further sampling or bulk sampling as notice-level operations.

In summary, before BLM will continue to process the plan of operations as filed, the above-requested information needs to be submitted to this office. At this time, BLM does not have sufficient data to indicate that the "stockpiles" to be removed as part of the mine are a locatable mineral as required at 3809.101(a). Also at this time, BLM is not requiring a mineral examination report. Providing the existing data will assist BLM in determining whether a mineral examination is necessary and/or in determining the next appropriate step in exploration and development, as reasonably incident operations.

If you have any questions, please contact Jerry Mansfield, FFO Geologist, at (435) 743-3125 or Michael Jackson, Utah State Office Geologist, at (435) 896-1522.

Sincerely,

A handwritten signature in dark ink, appearing to read "Patricia M. Bailey". The signature is fluid and cursive, with the first name "Patricia" being more prominent.

Patricia M. Bailey  
Acting Field Manager

cc: Metamining of Utah, LLC  
653 East 100 North  
Springville, UT 84663

Wayne Western, w/copy of Plan  
Utah Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

JMansfield:bh

# Plan Of Operations

UTU 87623

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AUG 17 2009

Bureau of Land Mgmt  
Palmere Field Office

**Operator:**

Metamining Of Utah LLC

**Address:**

653 East 100 North Springville Utah 84663

**Phone:**

801-995-0418

**Contact person:**

Kenneth Lowder

459 So. 300 E.

Springville, Utah 84663

Phone: 801-995-0418

**Tax #:**

26-3645194

**Claim #:**

UMC 408343

**Location:**

SE 1/4 of SE 1/4 of SW 1/4 of section 25 T14s R11w SLBM (see attached map)

**Activity:**

We will be removing stockpiled ore piles, There will be no underground mining activity.

We will use existing roads with some improvement, Possibly regrading, Disturbance will be five acres or less. This activity could be considered as clean up or restoration.

Aprox. time to remove this ore will be 2 weeks or less. Juab County road dept. has been contacted and is ok with use of there roads, and will help with regrading if needed.

**Equipment:**

One rubber tired loader, One road grader, Trucks consisting of 10 Double belly dumps, hauling 42 tons each, 3 to 4 loads A day. total loads per day is 30 to 40.

**Water Management Plan:**

This plan will not cause any degradation, Stock piles to be removed are on level ground.

This project will help prevent manganese from contaminating stream beds.

**Spill Contingency plan:**

If any Fuel or oil spill occurs the contained soil will be removed and replaced.

No bulk fuel will be stored on site.

**Monitoring Plan:**

Surface water will be improved by removal of this material and will also help with vegetation, Noise and air pollution levels will be at a minimum. The nearest populated area is 18 miles from this site. There is only 6.1 miles of gravel road to be traveled by these trucks.

**Reclamation:**

We will scarify and reseed. ( 2 acres )

Cost is estimated at \$3000.00 ( \$700.00 scarify \$2000.00 seeding )

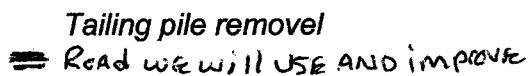
Bond amount will be set by D.O.G.M.

All standards will be addressed in 43 CFR 3809.420

Start date: September 2009

Completion date: October 2009

T145 Rllw sec. 25 SW 1/4



No warranty is made by the BLM for the use of the data for purposes not intended by the BLM.